



**MidSouth Electric Cooperative**

**2022 Request for Proposals**

**For**

**MISO Energy and Capacity Resources**

**RFP Administrator:**



**Contents:**

<b>1. Introduction</b> .....	4
<b>1.1 Overview</b> .....	4
<b>1.2 Purpose</b> .....	4
<b>1.3 RFP Administrator</b> .....	4
<b>2. Instructions to Respondents</b> .....	5
<b>2.1 RFP Contact Information and Communications</b> .....	5
<b>2.2 Notice of Intent to Provide Proposal</b> .....	5
<b>2.3 Submittal of Proposals</b> .....	5
<b>2.4 RFP Schedule</b> .....	5
<b>3. Proposals</b> .....	6
<b>3.1 Requested Proposals</b> .....	6
<b>3.1.1 Proposals for Full and Partial Requirements Services Contract</b> .....	6
<b>3.1.2 Proposals for Fixed Load Shape Energy Service Schedule</b> .....	7
<b>3.1.3 Proposals for Thermal Generation Resources</b> .....	7
<b>3.1.4 Proposals for Standalone Solar and Solar Plus Energy Storage Resources</b> .....	7
<b>3.1.5 Proposals for Wind Generation Resources</b> .....	8
<b>3.1.6 Proposals for Energy Only Blocks</b> .....	8
<b>3.1.7 Proposals for MISO Capacity</b> .....	9
<b>3.1.8 Proposals for Daily Call Options</b> .....	9
<b>3.2 Evaluation Criteria</b> .....	10
<b>3.3 Waiver</b> .....	11
<b>3.4 Financial Qualifications</b> .....	11
<b>4. Notice of Disclaimer</b> .....	11
<b>5. Confidentiality</b> .....	12

**Appendices (Available on the RFP Website)**

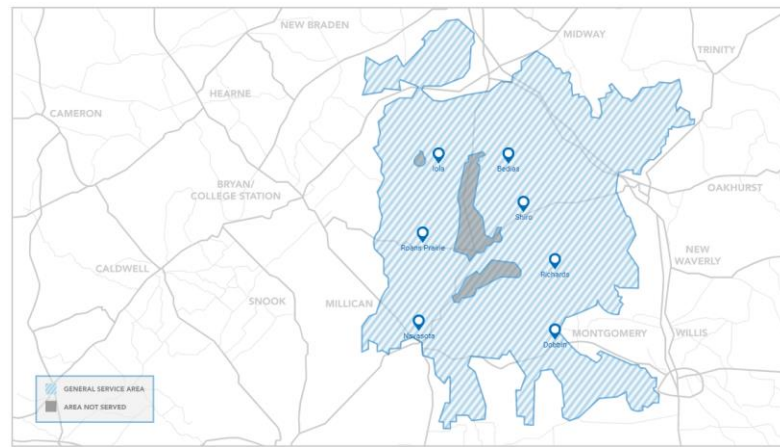
A	<a href="#">Notice of Intent to Provide Proposal</a>
B-1	<a href="#">Evaluation Form for Full Requirements Services Contract</a>
B-2	<a href="#">Evaluation Form for Fixed Load Shape Energy Service Schedule</a>
B-3	<a href="#">Evaluation Form for Thermal Generation Resources</a>
B-4	<a href="#">Evaluation Form for Standalone Solar and Solar plus Energy Storage Resources</a>
B-5	<a href="#">Evaluation Form for Wind Generation Resources</a>

- B-6 Evaluation Form for Energy Only Blocks
- B-7 Evaluation Form for MISO Capacity
- B-8 Evaluation Form for Daily Call Options

# 1. Introduction

## 1.1 Overview

MidSouth Electric Cooperative (MidSouth Electric) is headquartered in Navasota, Texas and has district offices in Montgomery, Madisonville and Huntsville. The cooperative serves members in Grimes, Montgomery, Madison, Walker, Brazos, and Waller counties. As of March 1, 2023, MidSouth will be the sole supplier for approximately 125 MW peak load in MISO.



## 1.2 Purpose

The purpose of this Request for Proposal (RFP) is to solicit and procure future power supply needs in the MISO market. The results obtained from this RFP will identify the possible options for future energy supply for MidSouth Electric.

## 1.3 RFP Administrator

The duties of the RFP Administrator will be performed by Alliance for Cooperative Energy Services Power Marketing LLC (ACES).

As the RFP Administrator, ACES' business model provides an established infrastructure of independent energy management practices that supports the verification of, and compliance with, applicable processes, policies, and procedures. ACES manages a significant amount of confidential data through a combination of specific internal guidelines, the company's independent control group, the company's corporate compliance manager, and periodic reporting to its Board of Directors' Risk Oversight and Audit Committee. ACES takes its obligations regarding the maintenance of confidential information very seriously and will handle all confidential information with the highest professional regard.

## 2. Instructions to Respondents

### 2.1 RFP Contact Information and Communications

All communications from parties responding to this RFP (Respondent(s)) shall be directed to the MidSouth Electric 2022 RFP team. Questions or requests for clarifying information must be directed through the designated RFP email address: [MidSouth2022RFP@acespower.com](mailto:MidSouth2022RFP@acespower.com). All oral discussions or communications are discouraged and will be considered unofficial and non-binding.

The MidSouth Electric 2022 RFP team will post relevant questions submitted by Respondents, as well as MidSouth Electric's responses, on the RFP website: [www.acespower.com/midsouthelectriccoop2022rfp](http://www.acespower.com/midsouthelectriccoop2022rfp). Posting these questions and responses will ensure that all Respondents have equal access to non-confidential information that may be potentially relevant to their responses to this RFP (Proposals).

MidSouth Electric strongly discourages direct contact with MidSouth Electric or ACES personnel regarding this RFP. Direct contact with MidSouth Electric personnel may result in disqualification from this RFP and the potential future solicitation.

### 2.2 Notice of Intent to Provide Proposal

A Respondent is to use the RFP email address identified in Section 2.1 to electronically submit its Appendix A: Notice of Intent to Provide Proposal (Appendix A). The deadline for a Respondent to submit its Appendix A is 2:00 p.m. EST on the Notice of Intent to Provide Proposal Deadline detailed in the RFP Schedule in Section 2.4. Upon receipt of the Appendix A, the MidSouth Electric 2022 RFP team will acknowledge receipt.

### 2.3 Submittal of Proposals

All Proposals must be submitted and received electronically. To be considered and accepted, an electronic version of the appropriate Proposal Appendix or Appendices must be sent to the RFP email address identified in Section 2.1 no later than 2:00 p.m. EST on the Proposal Deadline detailed in the RFP Schedule in Section 2.4.

Supporting documentation related to the Proposal Appendix or Appendices is encouraged but not mandatory. Supporting documentation may include, but not be limited to, information detailing the Respondent and the proposed energy resource.

MidSouth Electric and the RFP Administrator will only evaluate Proposals submitted in accordance with this RFP. Proposals sent directly to MidSouth Electric or ACES personnel will be discarded and will not be evaluated.

### 2.4 RFP Schedule

The MidSouth Electric 2022 RFP schedule is shown below. As circumstances warrant, MidSouth Electric, in its sole judgment and discretion, may change this schedule. In that event, the RFP

Administrator will inform all potential Respondents as far in advance as reasonably possible by posting any change on the RFP website, [www.acespower.com/midsouthelectriccoop2022rfp/](http://www.acespower.com/midsouthelectriccoop2022rfp/).

<u>Schedule</u>	<u>Deadline</u>
RFP Released to Bidders	July 29, 2022
Notice of Intent to Provide Proposal Deadline	August 8, 2022
Final Date for Question Submittal	August 29, 2022
Round 1 Bid Proposals Due	September 9, 2022
Short – List Notification	October 21, 2022
Round 2 Bid Proposals Due	November 4, 2022
Round 2 Finalist Selection	December 6, 2022
Complete Negotiation of Final Contract	January 24, 2023

### 3. Proposals

#### 3.1 Requested Proposals

MidSouth Electric requests Proposals from a diverse variety of energy and capacity resources. MidSouth Electric will accept multiple Proposals from a Respondent. In the event an individual Respondent provides multiple Proposals, the Respondent must indicate whether the Proposals are mutually exclusive. Mutually exclusive Proposals will be evaluated as competing proposals.

The desired Proposal terms are the following timelines. More than one term can be submitted by a Respondent. Longer-term PPA's up to 20 years will also be considered.

- 3/1/2023 through 12/31/2023 (10 months)
- 3/1/2023 through 12/31/2024 (22 months)
- 3/1/2023 through 12/13/2025 (34 months)
- 3/1/2023 through 12/31/2026 (46 months)
- 3/1/2023 through 12/31/2027 (58 months)

##### 3.1.1 Proposals for Full and Partial Requirements Services Contract

MidSouth Electric will consider Resource proposals in the form of full or partial requirements service, which include a combination of energy products and associated services in order to provide the energy, capacity, ancillary services, and other power requirements associated with all load related settlement charges to sufficiently meet the power supply needs of MidSouth Electric.

Proposals should include provisions, as applicable, for capacity and energy, planning reserves, ancillary services, transmission congestion costs, reliability unit commitment charges and other uplift settlement charges for MidSouth Electric. Refer to Appendix B for further description of Full Requirements Service. Proposals for full requirements

service contracts shall provide the information required in Appendix B-1: Evaluation Form for Full Requirements Services Contract (Appendix B-1).

### **3.1.2 Proposals for Fixed Load Shape Energy Service Schedule**

MidSouth Electric will consider Resource proposals for an energy-only fixed-load shape, product representing MidSouth Electric's unhedged projected energy requirements during the requested term. Refer to Appendix B for further description of the fixed load-shape product. Proposals for fixed-load shape energy schedules shall provide the information required in Appendix B-2: Evaluation Form for Fixed-Load Shape Energy Service Schedule (Appendix B-2).

### **3.1.3 Proposals for Thermal Generation Resources**

MidSouth Electric requests Proposals from Respondents for a diverse variety of thermal generation resources.

Proposals for thermal generation resources shall provide the information required in Appendix B-3: Evaluation Form for Thermal Generation Resources (Appendix B-3).

In addition to the required information in Appendix B-3, Proposals for thermal generation resources must meet the following minimum qualifications:

- Minimum quantity of 50 MW;
- Term:
  - Contract start date March 1, 2023
  - Contract Term of 5 years or less;
- Preference will be given to Proposals delivered to MISO Zone 9;
- Delivery Point may be at a generator node or Arkansas Hub
- Please indicate if Proposal is Firm (LD) or Unit Contingent (UC); and
  - If UC, please provide historical forced outage rate.

### **3.1.4 Proposals for Standalone Solar and Solar Plus Energy Storage Resources**

MidSouth Electric requests Proposals from Respondents for standalone solar or solar plus energy storage resources. Proposals for standalone solar and solar plus energy storage resources may be for a new resource or for an existing resource. MidSouth Electric will not accept Proposals for stand-alone battery energy storage system resources.

Proposals for standalone solar and solar plus energy storage resources shall provide the information required in Appendix B-4: Evaluation Form for Solar and Solar plus Energy Storage Resources (Appendix B-4).

In addition to the required information in Appendix B-4, Proposals for solar plus energy storage resources must meet the following minimum qualifications:

- Minimum quantity of 25 MW;
- Term:
  - Contract start date no later than March 1, 2025
  - Contract Term not to exceed 35 years;
    - Preference will be given to Proposals with Contract Terms of 25 years;
- Preference will be given to Proposals delivered to MISO Zone 9;
- Delivery Point may be at a generator node or Arkansas Hub
- Preference will be given to Proposals containing flat price offers with no escalators; and
- Preference will be given to Proposals with a fixed production profile.
- Please specify BESS duration.

### **3.1.5 Proposals for Wind Generation Resources**

MidSouth Electric requests Proposals from Respondents for wind generation resources. Proposals for wind generation resources may be for a new resource or for an existing resource.

Proposals for wind generation resources shall provide the information required in Appendix B-5: Evaluation Form for Wind Generation Resources (Appendix B-5).

In addition to the required information in Appendix B-5, Proposals for wind generation resources must meet the following minimum qualifications:

- Minimum quantity of 25 MW;
- Term:
  - Contract start date no later than March 1, 2025
  - Contract Term not to exceed 25 years;
- Preference will be given to Proposals delivered to MISO Zone 9 or Arkansas Hub;
- Preference will be given to Proposals containing flat price offers with no escalators; and
- Preference will be given to Proposals with a fixed production profile.

### **3.1.6 Proposals for Energy Only Blocks**

MidSouth Electric requests Proposals from Respondents for varying fixed price energy only blocks.



Proposals for energy only blocks shall provide the information required in Appendix B-6: Evaluation Form for Energy Only Blocks (Appendix B-6).

In addition to the required information in Appendix B-6, proposals for energy only blocks must meet the following minimum qualifications:

- Minimum quantity of 25 MW;
- Proposals must be provided as:
  - Delivery Period: 5x16, 7x16, or 7x24
  - Delivery Term: July-August, June-September, December-February or Calendar Year;
- All submissions must be in EST to align with MISO operations and standard traded products
- Proposals may be for physical or financial, real-time (RT) or day-ahead (DA) energy
  - Proposals for physical energy must be Firm (LD), as defined in Schedule P: Products and Related Definitions of the Edison Electric Institute (EEI) Master Power Purchase & Sale Agreement;
- Proposals shall be priced at Arkansas Hub; and
- Term:
  - Contract start date must be after March 1, 2023, for applicable Delivery Term
  - Contract Term of up to 10 years.

### **3.1.7 Proposals for MISO Capacity**

MidSouth Electric requests Proposals from Respondents for MISO Zonal Resource Credits (ZRC). Proposals for MISO Capacity shall provide the information required in Appendix B-7: Evaluation Form for MISO Capacity (Appendix B-7).

MISO ZRC's must be Zone 9 and meet the following minimum qualifications:

- Minimum quantity of 25 MW;
- Proposals must be provided as:
  - Planning Year (June – May)
- All submissions must be in EST to align with MISO operations and standard traded products
- Term:
  - Contract start date: March 1, 2023
  - Contract Term of up to 10 years.

### **3.1.8 Proposals for Daily Call Options**

MidSouth Electric requests Proposals from Respondents for varying daily call options. Daily call options may be a heat rate or a fixed price.

Proposals for daily call options shall provide the information required in Appendix B-8: Evaluation Form for Daily Call Options (Appendix B-8).

In addition to the required information in Appendix B-5, Proposals for daily call options must meet the following minimum qualifications:

- Minimum quantity of 25 MW
- Proposals must be provided as:
  - Delivery Period: 5x16, 7x16, or 7x24
  - Delivery Term: July-August, June-September, or Calendar Year;
- All submissions must be in EST to align with MISO operations and standard traded products
- Proposals may be structured as Auto-Settle or Manual Strike;
  - Proposals may be for physical or financial, real-time (RT) or day-ahead (DA) energy
  - - Proposals for physical energy must be Firm (LD), as defined in Schedule P: Products and Related Definitions of the Edison Electric Institute (EEI) Master Power Purchase & Sale Agreement;
  - Proposals must specify either:
    - 1) fixed strike price, or
    - 2) heat rate, in terms of MMBtu/MWh
      - Heat rate proposals must identify natural gas price index;
  - Proposals shall be priced at Arkansas Hub or generator node; and
  - Term:
    - Contract start date must be after March 1, 2023
    - Contract Term of 1 to 5 years

### 3.2 Evaluation Criteria

MidSouth Electric intends to make the evaluations and rankings as fair and objective as possible while balancing multiple factors. After all Proposals have been evaluated, a short list may be identified for the second round of the RFP. Unsuccessful Respondents will be notified via email.

In its Round 1 evaluation, MidSouth Electric will consider the following:

- Offer prices and/or calculation method inclusive of all costs
- Responsiveness of Proposal
- Logistical, technical, economic, and commercial viability of Proposal
- Reliability of supply
- Financial qualifications of Respondent
- Other value-added benefits

The criteria listed is neither inclusive nor is it in any particular order of importance.

### **3.3 Waiver**

MidSouth Electric reserves the right, in its sole discretion, to reject any and all Proposals submitted as part of this RFP process for any reason. MidSouth Electric may modify this criteria at any time without prior notification.

### **3.4 Financial Qualifications**

The financial stability and creditworthiness of each Respondent is an important consideration for MidSouth Electric. The level of credit worthiness may significantly impact MidSouth Electric's evaluation of a Proposal.

## **4. Notice of Disclaimer**

*The information contained in this RFP has been prepared solely to assist prospective Respondents in making the decision of whether or not to submit a Proposal. MidSouth Electric does not purport this information to be all-inclusive or to contain all of the information that a prospective Respondent may need to consider in order to submit a Proposal. Neither MidSouth Electric nor its members, customers, employees, agents, officers, nor MidSouth Electric consultants will make, or will be deemed to have made, any current or future representation, promise or warranty, express or implied, as to the accuracy, reliability, or completeness of the information contained herein, or in any document or information made available to a Respondent, whether or not the aforementioned parties know or should have known of any errors or omissions, or were responsible for its inclusion in, or omission from, this RFP. MidSouth Electric expressly excludes and disclaims all express and implied warranties of merchantability and fitness for a particular purpose.*

*MidSouth Electric reserves the right to modify or supplement this RFP at any time. No part of this RFP and no part of any subsequent correspondence by MidSouth Electric, its members, customers, employees, officers, agents, or MidSouth Electric's consultants shall be taken as providing legal, financial, or other advice, nor as establishing a contractual relationship or contractual obligation with Respondent. Contractual obligations on the part of MidSouth Electric will arise only if and when definitive agreements have been approved and executed by the appropriate parties having the authority to approve and enter into such agreements.*

*Each Respondent, whether the Respondent's Proposal is accepted or rejected, expressly waives any claim whatsoever related to this RFP against MidSouth Electric or its members, customers, employees, officers, agents, or MidSouth Electric's consultants. MidSouth Electric further reserves the right to withdraw and terminate this RFP at any time. The submission of a Proposal to MidSouth Electric shall constitute Respondent's*

***acknowledgement and acceptance of all terms, requirements, and conditions of this RFP.***

## **5. Confidentiality**

All Proposals shall become the exclusive property of MidSouth Electric. The Respondent shall treat and preserve **ALL** information, data, and communications received from MidSouth Electric as confidential, regardless of the existence or lack thereof of confidential markings, and will only distribute to such personnel who are required as part of this RFP process. MidSouth Electric and the RFP Administrator will treat all Proposals, including any supporting documentation, submitted by Respondents as confidential. Notwithstanding the foregoing, Proposals in their entirety may be shared with MidSouth Electric's consultants or agents, or any other governmental entity with authority over MidSouth Electric. It is however possible that Proposals may become subject to discovery and disclosure as required in regulatory or judicial proceeding. Respondents may be required to sign a Confidentiality Agreement if this RFP progresses to a future formal solicitation.